

EXHIBIT F

to the Declaration of
Lisa J. Cisneros in Support of
Plaintiffs' Opposition Briefs

REDACTED VERSION

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4

5 IN RE: HIGH-TECH EMPLOYEE)
6 ANTITRUST LITIGATION)
7) No. 11-CV-2509-LHK
8 THIS DOCUMENT RELATES TO:)
9 ALL ACTIONS.)

10 _____

11
12 VIDEO DEPOSITION OF DEBORAH STREETER
13 ATTORNEYS' EYES ONLY
14 April 5, 2013

15
16 Reported by: Anne Torreano, CSR No. 10520

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1 Q. Do you recall any of the -- the compensation
2 textbooks that you looked at?

3 A. Yes.

4 Q. Okay. Could you give me the -- the ones you
10:06:21 5 remember?

6 A. Well, you have Total Rewards strategy, you
7 have overall Total Rewards, you have market pricing,
8 you have quantitative methods. I can't remember them
9 all, but ...

10:06:34 10 Q. Okay.

11 A. Job analysis.

12 Q. Now, did you obtain this training while you
13 were working at Adobe?

14 A. Yes.

10:06:43 15 Q. Okay. And have you continued to attend
16 training sessions to keep current or updated or
17 refreshed on some of these subjects?

18 A. No.

19 Q. Okay. Is there any in-house training at Adobe
10:06:57 20 regarding compensation?

21 A. For us to keep learning compensation?

22 Q. Yes.

23 A. No.

24 Q. Okay. So let me ask the next question.

10:07:07 25 Do you -- does your organization or people

1 that support your organization provide in-house
2 training to business people and other people you
3 support regarding the compensation system or
4 compensation methodologies or compensation practices?

10:07:21 5 A. Yes.

6 Q. Is that an -- is that a function that your
7 organization performs?

8 A. In partnership with our L&D organization. So
9 a lot of times they'll create the content for us and
10:07:31 10 they'll help deliver it, and we'll be there as, you
11 know, backups. Sometimes we'll lead it, depending on
12 resource levels.

13 Q. Did you say L&D?

14 A. Uh-huh, learning and development.

10:07:40 15 Q. Okay.

16 A. Sorry.

17 Q. Sorry.

18 And do -- do the learning and development
19 folks or you develop written materials that you use for
10:07:53 20 training purposes?

21 A. Yes.

22 Q. Is there a compensation manual or something
23 like that that's used internally?

24 A. We have what's called Compensation 101, and
10:08:01 25 it's kind of like a manual, and we post it online.

1 Q. Okay. So are there -- separate or apart from
2 what's posted online, are there written materials?

3 A. We have lots of materials that are actually
4 online.

10:08:15 5 Q. Okay.

6 A. But that's nothing that we give to people,
7 hand out or anything like that.

8 Q. Okay. So you're a technology company, so
9 you --

10:08:22 10 A. Yes. We don't --

11 Q. -- have online stuff?

12 A. We don't have a lot of paper.

13 Q. Okay. So is it kept on a Wiki or is it kept
14 in a particular place where people go? I mean, how do
10:08:31 15 they find that stuff?

16 A. On our internal web site.

17 Q. Okay. And do you recall generally what the
18 address is or -- if I asked for it, would I -- where
19 I -- if I had access internally, how would I get to it?

10:08:40 20 A. Well, you would just go to Inside Adobe --

21 Q. Okay.

22 A. -- and look under "compensation."

23 Q. Okay. And it's there?

24 A. Yes.

10:08:44 25 Q. Okay. And does that information include

1 information that describes the annual review process?

2 A. It's not posted all year, because the annual
3 review process could potentially change. So we post
4 information when it gets close to the annual review
10:09:03 5 process to outline what the process is.

6 Q. Okay. And again, is that material that you or
7 your organization post when it's at the appropriate
8 time?

9 A. Yes, in partnership with learning and
10:09:12 10 development.

11 Q. Okay. Great.

12 So other than the kind of in-house training
13 that you and L&D provide, is there other in-house
14 training at Adobe regarding compensation?

10:09:28 15 MR. KIERNAN: I'm going to object to form.

16 THE WITNESS: Not -- not that I recall.

17 BY MR. SAVERI:

18 Q. Okay. Now, does Adobe use or hire outside
19 consultants for purposes of compensation?

10:09:41 20 A. Yes.

21 Q. And could you describe for me which
22 consultants Adobe hires?

23 A. So for executive compensation we hire
24 Compensia now. In that time frame it was somebody

10:09:54 25 else, but I'm not quite sure who it was. I think it

1 was Semler Brossy.

2 And then for general compensation we use
3 Radford, and then as well as we use iPass from a survey
4 perspective.

10:10:08 5 Q. What's the name of the company?

6 A. iPass. It's a survey.

7 Q. And --

8 A. I --

9 Q. I-P-A-S-S?

10:10:13 10 A. Correct.

11 Q. Do you use Croner at all?

12 A. No.

13 Q. Okay. Have you ever used Croner?

14 A. I've never heard of it.

10:10:20 15 Q. Okay. And a minute ago you -- you said that
16 you used Compensia for executive compensation?

17 A. Currently, yes.

18 Q. Okay. When you say "executive compensation,"
19 could you give me a sense of kind of what level of the
10:10:35 20 organizational structure you're talking about when you
21 say "executive"?

22 A. Officers and above.

23 Q. So are you familiar with the term "Section 16
24 officers"?

10:10:42 25 A. Yes. That's what I'm talking about.

1 Q. Okay. And does -- does that include the --
2 the top executives at the company, for example, the CEO
3 and at that level? Is the compensation -- is Compensia
4 used for setting or determining that level of
10:11:11 5 compensation as well?

6 A. That's the only group that they're --

7 Q. Okay.

8 A. -- responsible for.

9 Q. As you sit here today, if you wanted to
10:11:29 10 identify a book or a treatise or some kind of
11 authoritative source on compensation matters, is there
12 something that you would identify as something that you
13 go to to use to look things up, that kind of thing?

14 A. No.

10:11:44 15 Q. Okay. Let me ask you some more kind of
16 general questions about Total Rewards.

17 Other than the -- first, other than the Total
18 Rewards, is it -- and again, is it a system or a
19 structure or -- what's the best way to refer to it? Or
10:12:10 20 maybe I'll just call it "Total Rewards."

21 MR. KIERNAN: Object to form.

22 BY MR. SAVERI:

23 Q. Well, let me just ask -- maybe we'll work
24 towards it.

10:12:16 25 What is -- other than Total Rewards, is there

1 another system or organization that -- that determines
2 compensation at Adobe?

3 A. No.

4 Q. Okay. What's the business purpose of Total
10:12:32 5 Rewards?

6 A. To ensure that we can stay market competitive
7 and compensate and reward our employees.

8 Q. Okay. So does Total Rewards provide a system
9 of compensation for Adobe employees?

10:12:55 10 A. Not a system. It's a structure.

11 Q. Okay. Through Total Rewards, does Adobe align
12 its compensation system with the business goals and
13 purposes of Adobe?

14 MR. KIERNAN: Object to form.

10:13:14 15 THE WITNESS: Yeah. Yes.

16 BY MR. SAVERI:

17 Q. And does Total Rewards assist Adobe in
18 recruiting and retaining talent?

19 A. Does Adobe?

10:13:27 20 Q. Does -- does Total Rewards provide -- let me
21 ask a better question.

22 Does -- does Total Rewards assist Adobe in its
23 efforts to recruit and retain talent?

24 A. Yes.

10:13:43 25 Q. Okay. From your perspective, is a successful

1 Total Rewards structure mission critical to Adobe
2 succeeding?

3 MR. KIERNAN: Object to form.

4 THE WITNESS: I wouldn't say it's mission
10:14:01 5 critical, no.

6 BY MR. SAVERI:

7 Q. How long has the Total Rewards system been in
8 place?

9 A. The structure has been in place since I've
10:14:12 10 known it.

11 Q. Okay. Was there another name for the -- for
12 it at a previous point in time?

13 A. I have -- I don't know.

14 Q. Okay. So as -- when you got to the company,
10:14:24 15 the Total Rewards structure was in place?

16 A. Yes.

17 Q. And you understand that when you got there it
18 had been in place at least for some period of time?

19 A. Yes.

10:14:30 20 Q. Do you know when Total Rewards was first
21 implemented?

22 A. No.

23 Q. Does it go back to the beginning of the
24 company?

10:14:43 25 A. I have no idea.

1 Q. Okay. Does Total Rewards, at least the
2 structure of compensation in Total Rewards, is it
3 consistent with -- to the best of your knowledge,
4 industry -- standard industry practices regarding
10:15:21 5 compensation structures?

6 MR. KIERNAN: Object to form.

7 THE WITNESS: So I don't know what
8 "consistent" means. Right? So ...

9 BY MR. SAVERI:

10:15:29 10 Q. Well, you -- you --

11 A. I don't know what other companies do.

12 Q. You -- do you participate from time to time
13 with -- well, first, do you participate from time to
14 time with meetings or conversations with compensation
10:15:42 15 or HR peers?

16 A. Rarely, but yes.

17 Q. From time to time you do?

18 A. Yes.

19 Q. Do you understand that the Adobe system
10:15:51 20 resembles in -- to a fair degree the structures that
21 other -- that other peer companies have?

22 A. It would be similar.

23 Q. Now, you also participate in Radford; correct?

24 A. Correct.

10:16:07 25 Q. Do -- do you have any role in providing

1 information to Radford on behalf of Adobe?

2 A. My team does. I don't personally.

3 Q. Okay. So people on your team from time to
4 time provide certain information to Radford?

10:16:22 5 A. Correct.

6 Q. And in addition, Adobe is a subscriber to
7 Radford?

8 A. Yes.

9 Q. So in connection -- and one of the things
10:16:30 10 Adobe pays for as a subscriber is the Radford surveys;
11 correct?

12 A. Correct.

13 Q. So Adobe gives information and receives
14 information back?

10:16:37 15 A. Correct.

16 Q. Generally can you tell me what information
17 your organization provides to Radford?

18 A. I'm not -- probably not close enough to that
19 to --

10:16:48 20 Q. Or can you just give me a general -- a general
21 sense as you can -- that you feel comfortable with?

22 MR. KIERNAN: You guys are pretty good, but
23 you've been talking over one another. So what I
24 would -- let him finish his question --

10:16:59 25 THE WITNESS: Okay.

1 MR. KIERNAN: -- maybe pause a little bit --

2 THE WITNESS: Okay.

3 MR. KIERNAN: -- and then --

4 BY MR. SAVERI:

10:17:02 5 Q. So -- so my -- so my question, Ms. Streeter,
6 is, can you tell me generally, to the best of your
7 knowledge, what kind of information the organization
8 provides to Radford?

9 A. So we provide salary information for our
10:17:19 10 employees, job codes, number of employees and salary
11 information.

12 Q. And does Adobe receive similar information
13 back from Radford?

14 A. Yes.

10:17:31 15 Q. But it's -- is the information that Radford
16 provides back aggregate information?

17 A. Correct.

18 Q. And does Radford also provide information like
19 median or averages for the job titles or job
10:17:51 20 classification, aggregate data they provide back to
21 Adobe?

22 A. Yes.

23 Q. Okay. And does -- is the -- is the
24 information that -- does Adobe use the information it
10:18:14 25 receives back from Radford as part of its work in

1 developing its own compensation structure, that is,
2 Total Rewards?

3 A. Yes.

4 Q. Does -- at a general level, does the Radford
10:18:38 5 information that Adobe receives allow Adobe to -- to
6 generally make apple-to-apple comparisons regarding
7 compensation in the marketplace?

8 MR. KIERNAN: Object to form.

9 THE WITNESS: Yeah, I don't -- I don't know
10:19:02 10 whether I would say "apple-to-apple." We get the
11 general information back.

12 BY MR. SAVERI:

13 Q. But you provide information to Radford;
14 correct?

10:19:11 15 A. Correct.

16 Q. And when you do that, it's provided -- you
17 provide information regarding Adobe's compensation;
18 correct?

19 A. Correct.

10:19:20 20 Q. And it's organized by job code?

21 A. Job -- I don't know specifically how it's
22 sent, so let me just clarify there. But it should have
23 the job code, how many people are in the roles, and
24 then the salaries.

10:19:34 25 Q. Okay. And when you get this information back

1 from Radford, is it organized by job code?

2 MR. KIERNAN: Object to form.

3 THE WITNESS: I don't know. I'm not privy to
4 that.

10:19:43 5 MR. SAVERI: Okay.

6 MR. KIERNAN: And witness requests a read and
7 sign and designates -- Adobe designates the transcript
8 "attorneys' eyes only."

9 MR. SAVERI: We're not done.

10:20:06 10 MR. KIERNAN: I understand.

11 MR. SAVERI: Okay.

12 MR. KIERNAN: But I just wanted to make
13 sure --

14 MR. SAVERI: Okay.

10:20:12 15 MR. KIERNAN: -- while you've paused.

16 MR. SAVERI: Okay. All right. Thank you.

17 MR. KIERNAN: Or maybe we are done.

18 MR. SAVERI: Oh, no, no, no.

19 BY MR. SAVERI:

10:20:24 20 Q. So I think we -- you touched on this a few
21 minutes ago, but let me go back through it maybe more
22 systematically.

23 What are the key components of compensation
24 administered through Total Rewards?

10:20:37 25 A. Yeah, so like I said earlier, that would be

1 conversation, writes the performance review, evaluates
2 their people based off of performance, has a
3 conversation, and also makes their compensation and any
4 equity recommendations or bonus recommendations.

10:26:58 5 That's what focal is.

6 Q. And how -- what's -- and then how does that
7 process -- how do the people who are responsible --
8 strike that.

9 Are you responsible for -- for administering
10:27:10 10 the focal process?

11 A. Just the compensation and equity piece of the
12 focal process.

13 Q. Okay. And are you responsible within your
14 organization generally for establishing the schedule
10:27:22 15 for the focal review?

16 A. In partnership with, you know, learning and
17 development, because they own the performance
18 management piece.

19 Q. Okay. So for example, when -- when managers
10:27:35 20 do performance reviews of the people that report to
21 them --

22 A. Correct.

23 Q. -- do they provide that information to you or
24 your Total Rewards organization in some way?

10:27:43 25 A. They don't provide the actual documentation to

1 Total Rewards. They provide that -- they write it up.
2 They provide it to their employee. Then they submit
3 it. Then it goes to data management, and it's filed in
4 their file.

10:27:57 5 Q. Okay.

6 A. If they use performance rankings, then that is
7 actually fed to Total Rewards just to put into our
8 system.

9 Q. Okay. And we'll probably touch on this in a
10:28:10 10 little bit more detail, but we talked a little bit
11 about salary ranges.

12 A. Correct.

13 Q. Okay. And is it -- is it fair to say that for
14 each job code, there is a salary range established?

10:28:28 15 A. Yes.

16 Q. Okay. And so from year to year an employee,
17 without a change in title, may have their base
18 compensation changed by some kind of move within the
19 established salary range?

10:28:42 20 MR. KIERNAN: Object to form.

21 THE WITNESS: So that's -- so there would be
22 movement based off of performance of the company's
23 ability to pay during a merit process, promo, something
24 like that.

10:28:58 25 BY MR. SAVERI:

1 Q. Okay. Who -- kind of organizationally, if
2 someone, based on their performance and the economic
3 kind of conditions of -- of the world that are -- so
4 that a salary increase is permitted at some budget
10:29:12 5 level, who makes -- organizationally who makes the
6 determination of a change of base compensation within a
7 salary range at Adobe?

8 A. Managers.

9 Q. Okay. And what is your responsibility in
10:29:23 10 Total Rewards for that?

11 A. We just provide the guidelines, determine how
12 much money the company can afford, provide guidelines
13 to the managers, train the managers on performance
14 management, and then the managers make the decisions.

10:29:36 15 Q. Okay. And when they make the decisions, they
16 tell you or Total -- someone within your organization?

17 A. Well, they would put it in a system or a tool.

18 Q. Okay. Does your organization also look at
19 these issues kind -- broadly and make -- you know,
10:30:00 20 report out metrics on compensation decisions?

21 MR. KIERNAN: Object to form.

22 BY MR. SAVERI:

23 Q. I mean, for example, do you calculate whether
24 particular managers are generally raising -- strike
10:30:15 25 that.

1 Do you -- do you track the per -- in Total
2 Rewards the performance ratings of particular managers?

3 A. I don't know -- I don't know what you mean by
4 "tracking."

10:30:26 5 Q. Well, for example, are there -- are there
6 managers who make performance ratings of the people
7 that report to them?

8 A. Yes.

9 Q. And so in connection with that, they -- they
10:30:40 10 divide or put their reports into certain groups based
11 on performance?

12 A. They --

13 Q. They -- there are -- there are people who are
14 underperforming and there are top performers?

10:30:50 15 A. Correct.

16 Q. And do you at Total Rewards track or provide
17 kind of statistical analysis of, for example, how --
18 how many people are being put into each category by a
19 manager in a particular year?

10:31:05 20 A. [REDACTED]
21 [REDACTED] We can run a report to show how the bell
22 curve came out.

23 Q. Okay.

24 A. But we don't do anything with it.

10:31:17 25 Q. Okay. Okay. Just -- let me just make sure

1 I've covered this.

2 Is everybody at Adobe in the Total Rewards
3 system?

4 A. Everybody at Adobe in the Total Rewards
10:31:45 5 system. Yes.

6 Q. And I think you said --

7 A. Well, let me -- so let me clarify. Sorry.
8 Regular Adobe employees, yes.

9 Q. Yeah. Okay. Fair enough.

10:31:53 10 And you said a minute ago that the Section 16
11 officers, or at least with respect to their
12 compensation, are treated a little bit differently than
13 everybody else?

14 A. I didn't say they'd be treated differently.
10:32:03 15 They're just handled --

16 Q. Okay. They're separate --

17 A. They go -- they go to the board for approval.

18 Q. And that's really what I was getting at.

19 There's a separate process for approving the Section 16
10:32:12 20 officer compensations?

21 A. Yes.

22 Q. And does that include the compensation
23 committee of the board?

24 A. Yes.

10:32:16 25 Q. Okay. Do -- do you at Total Rewards support

1 function with respect to Total Rewards, did you try to
2 identify peers?

3 A. We do have peers.

4 Q. Okay. And is that -- are the peers identified
10:48:50 5 in the Radford data, or do you identify peers
6 separately?

7 A. So our ECC, so our executive comp committee,
8 determines our peers for our company for our
9 executives. We also go ahead and use those same
10:49:03 10 peers. We have direct peers as well as reference peers
11 that we will use for broad-based employees. If we
12 don't have enough data, then we'll use software, or
13 we'll even go use tech data.

14 Q. Okay. So how is the peer information
10:49:18 15 incorporated in the Radford data with respect to your
16 budgeting function?

17 MR. KIERNAN: Object to form.

18 THE WITNESS: Yeah, I'm not quite sure I'm
19 clear enough on that one. Sorry.

10:49:29 20 BY MR. SAVERI:

21 Q. Okay. Well, did you look at information from
22 peers, as you've described, in making your budget
23 recommendations regarding compensation?

24 A. [REDACTED]

[REDACTED]

1

2 Q. Okay. So -- but I'm trying to understand
3 this.

4

10:49:50 5 I think you said the company, your company,
6 Adobe, made some determination of peer -- I think you
7 divided into two groups.

7

A. Direct peers.

8

Q. Direct peers and reference peers.

9

A. Yes.

10:49:59 10 Q. Okay. And -- and your company made that
11 determination; correct?

12

A. The E -- yes, the -- the ECC made that
13 determination.

14

Q. Okay.

18

A. Let me make sure I'm clear.

19

10:50:26 20 So the ECC determines who the direct peers are
21 based off of information that they get from Compensia,
22 which is their consultants.

23

24

1 Q. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] [REDACTED] [REDACTED]
[REDACTED]

7 Q. Okay. Now, you also said affordability to the
8 company?

9 A. Correct.

10:51:01 10 Q. Okay. So what do you mean by that?

11 A. Well, the economy continues to change, so I
12 don't control what the finances of the company are. So
13 we always want to make sure that we can afford.

14 Q. Okay. So in determining the affordability on
10:51:17 15 a particular year, what information did you rely on in
16 order to make that determination?

17 A. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [REDACTED]
[REDACTED]
[REDACTED] [REDACTED]

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Q. Okay. So let me make sure I trace this through.

So you -- your team or organization would do what it does with the -- with respect to the Radford data.

A. Correct.

Q. You'd make a determination of what you would want to do for -- separate -- without looking at affordability, and then you would ask finance, in sum or substance, can we afford this?

MR. KIERNAN: Hang on.

Object to form.

BY MR. SAVERI:

Q. Is -- is that right?

MR. KIERNAN: Object to form.

THE WITNESS: So I want to be clear here.

So we will come up with the market data.

MR. SAVERI: Got it.

THE WITNESS:

MR. SAVERI: Got it.

1 THE WITNESS: I'll go back and ask what the
2 market data says.

3 BY MR. SAVERI:

4 Q. Okay. But ultimately did finance have to make
10:52:41 5 some kind of approval -- okay.

6 What was the role of finance in approving your
7 recommendation?

8 MR. KIERNAN: Object to form.

9 THE WITNESS: I can't speculate, but I assume
10:52:56 10 they -- they had to make sure they have the money to
11 pay for it.

12 BY MR. SAVERI:

13 Q. So what -- I mean, but what was the answer you
14 would get back? Was it kind of a yes-or-no answer
10:53:02 15 or --

16 A. Yes. Or if they didn't have it, they would
17 tell us what they could afford.

18 Q. Okay. So from time to time, did they say we
19 can afford something but not as much as you would --
10:53:15 20 you recommend?

21 A. To be clear on timing --

22 Q. Yes.

23 A. -- we're talking during that --

24 Q. Right.

10:53:24 25 A. So during the time period 2008, I wasn't a

1 In making your recommendations, did you have
2 any marketplace goals that you used for making
3 compensation recommendations?

4 MR. KIERNAN: Object to form.

11:18:36 5 THE WITNESS: Yeah, I'm not quite sure I
6 understand what you mean by "goals."

7 BY MR. SAVERI:

8 Q. Well, at Adobe, when you looked at data on the
9 marketplace and you thought about what you wanted to do
11:18:51 10 with respect to compensation for the next cycle, did
11 you have as a goal setting compensation at some measure
12 of the market? For example, the 50th percentile, the
13 60th, the 75th, some kind of -- some kind of -- of
14 quantitative goal?

11:19:16 15 A. I wouldn't call it a goal, but we do have
16 market positioning that we -- yeah, that we target.

17 Q. Okay. And so I -- and I didn't know whether
18 the -- the word was "positioning" or "goal" or "target"
19 but I wanted to get at the -- at the concept.

11:19:29 20 So what was the -- what was the target?

21 A. During what time period?

22 Q. Okay. So does it make sense to talk about it
23 in the focal period?

24 A. Yeah, talking more about what years you're
11:19:43 25 talking about.

1 [REDACTED], and we market -- we
2 targeted -- the 65th was about the equivalent.

3 Q. And when you -- okay.

4 Did your organization do the calculation about
11:21:11 5 what the 65th would mean or what it was?

6 A. You get that data from Radford.

7 Q. Okay. So when you got the Radford data back,
8 would the -- would they provide the data back to you
9 with the -- I guess in the -- during the period of time
11:21:28 10 where you were looking at the 65th, did they calculate
11 the 65th based on that data? Did Radford?

12 A. Well, Radford gives you the data back, and
13 they give you the -- they give you the 50th, they give
14 you the different positioning as well as median.

11:21:45 15 Q. Okay. So I think you said before the break
16 that you at your company made a determination about
17 peers?

18 A. Correct.

19 Q. And you provided that information to Radford,
11:22:00 20 and -- and Radford used that information when they were
21 reporting back to you?

22 A. Correct. They give us data for our peer set.

23 Q. Okay. Did -- similarly, did you tell Radford
24 we -- we want -- when we get the data back, we -- we
11:22:13 25 want to know what the 65th percentile is?

1 A. I have no idea how my -- my team tells them
2 that.

3 Q. Okay. So during the period of time -- do you
4 recall generally when Adobe shifted its strategy from
11:22:28 5 [REDACTED] to trying to target the 65th
6 percentile?

7 A. Yeah, like I said earlier, I don't remember
8 the exact date.

9 Q. Okay. And during the period of time when the
11:22:40 10 65th percentile was the target, was the 65th percentile
11 the target for the Adobe workforce in its entirety or
12 some subset of it?

13 MR. KIERNAN: Object to form.

14 THE WITNESS: So it's not the entirety.

11:22:57 15 There's different job targets. Some are 75th, some are
16 90th. Depends on U.S., depends on global. Nothing's
17 standard.

18 BY MR. SAVERI:

19 Q. Okay. So is it fair to say that for some jobs
11:23:12 20 it was 65th, some it was 90th, some it was 75th,
21 depending on importance to the company on geo -- and --
22 and other factors like geography?

23 A. Yes.

24 Q. Okay. Who set those targets?

11:23:29 25 A. Who sets what targets?

1 A. So we didn't do any -- I think -- we didn't do
2 any analysis to say -- we don't have that data.

3 Q. Okay.

4 A. So the managers are the ones that know the
11:26:33 5 performance.

6 So even if we looked at analysis, I would have
7 no idea whether the -- what the performance is of every
8 single of employee. Managers own that.

9 Q. Did you -- did your organization manage the
11:26:48 10 managers at all with respect to their compensation
11 decisions?

12 A. We give guidance and we give guidelines, but
13 managers ultimately own the budgets. They own those
14 decisions. They own their people.

11:26:59 15 Q. Okay. Did -- did your organization provide
16 any kind of statistical work or -- or perform any kind
17 of -- determine metrics, for example, that -- that
18 tried to quantify which managers were more -- more
19 likely than others to give raises?

11:27:26 20 A. Not that I recall. Because like I said,
21 our -- our team, my organization would have no idea,
22 even with that data, what that would mean.

23 Q. Okay. Are you familiar with the term
24 "internal equity"?

11:27:45 25 A. Yes.

1 Q. Okay. What do you understand the term
2 "internal equity" to mean with respect to compensation?

3 A. Internal equity means that you allow -- it's a
4 data point that we make sure managers understand,
11:28:00 5 because they need to understand that based off of
6 performance, where do people sit in their ranges.

7 So if you hire somebody, right, that's going
8 to -- let's say asking for \$10,000 more. You look at
9 your internal equity of your own organization, and if
11:28:18 10 you have some high-performing people that are making
11 less than a 10,000, are they comfortable hiring
12 somebody that they don't know what their performance is
13 higher than somebody that does.

14 So it's a data point for managers to look at
11:28:31 15 all the facts.

16 Q. Were there metrics or analysis that you did to
17 either measure or confirm or guarantee that the
18 principle of internal equity that you just described
19 was something that was being implemented and followed
11:28:47 20 by managers at Adobe?

21 A. I would have no idea how we would ever do
22 that.

23 Q. Okay. When was Omniture acquired?

24 A. Now you're testing my memory.

11:29:04 25 Q. Maybe do it this way: Were you -- did you

1 have Total Rewards responsibility when Omniture was --
2 was acquired?

3 A. Yes.

4 Q. Okay. Let's just leave it at that.

11:29:12 5 A. Thank you.

6 Q. Okay. So do you recall what the workforce was
7 at Omniture prior to acquisition?

8 A. What do you mean by "workforce"?

9 Q. Well, how many people worked at Omniture
11:29:24 10 before it was -- let's back up.

11 Was Omniture acquired by Adobe during the
12 period of time that you were responsible for Total
13 Rewards?

14 A. Yes.

11:29:33 15 Q. Okay. At the time that Omniture was acquired
16 by Adobe, how many people worked at Omniture?

17 A. I don't know specifically.

18 Q. Or order of magnitude?

19 A. Maybe 1,500, 2,000.

11:29:46 20 Q. And at that time, what was the workforce at
21 Adobe?

22 A. Maybe seven, eight thousand, somewhere in
23 there.

24 Q. Okay. So after the acquisition of Omniture,
11:30:02 25 were the -- or were -- strike that.

1 After Omniture was acquired by Adobe, did
2 the -- did Omniture people go to work for Adobe?

3 A. Yes.

4 Q. And were they incorporated within the Total
11:30:19 5 Rewards -- within Total Rewards?

6 A. Yes.

7 Q. Okay. And so can you describe for me
8 generally what the process was by which the Omniture
9 employees were incorporated into Total Rewards after
11:30:44 10 the acquisition by Adobe?

11 A. So my team worked with the business partners
12 within HR and managers to determine what the roles of
13 each employee were, and then they'd go ahead and look
14 at their job description compared to what our job
11:31:05 15 descriptions were, and leveled them and put them into
16 our structure.

17 Q. And when you say "leveled them," what do you
18 mean?

19 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

1 A. [REDACTED]

2 Q. Okay. So for example, in -- prior to the
3 acquisition, Omniture had its own structure?

4 A. Or lack of, yes.

11:31:28 5 Q. Or lack of.

6 And may -- so maybe you were writing on a
7 relatively clean sheet of paper.

8 A. Yes.

9 Q. Or maybe it was a very confusing sheet of
11:31:37 10 paper.

11 But it's fair to say that you needed to get
12 those people into Total Rewards; right?

13 A. Into our salary structure, yes.

14 Q. Okay. And so, for example, there were people
11:31:46 15 that became 6s under the Adobe system?

16 A. Yes, all different levels.

17 Q. And so -- how long did that process take?

18 A. I don't recall.

19 Q. Were you responsible for it?

11:32:28 20 A. I did not do the actual day-to-day pieces of
21 it, no.

22 Q. Was there someone else at -- in your
23 organization that was responsible for -- I think you
24 said the leveling?

11:32:36 25 A. Yes.

1 Q. And who was that?

2 A. Rosemary. And the business partners.

3 Q. During the time you were responsible for Total

4 Rewards, were there other companies that Adobe

11:32:51 5 acquired?

6 A. During my tenure in Total Rewards?

7 Q. Yes.

8 A. Yes.

9 Q. And was a similar process followed with

11:32:58 10 respect to leveling of those employees?

11 A. Yes.

12 Q. Okay.

13 (DEPOSITION EXHIBIT 2798 MARKED.)

14 BY MR. SAVERI:

11:33:26 15 Q. I'm going to start to show you some

16 documents --

17 A. Okay.

18 Q. -- I have some questions about.

19 The first is Exhibit 2798, and the first page

11:33:49 20 has the Bates number ADOBE_072450.

21 Do you have that in front of you?

22 A. 072450. Yes.

23 Q. Yeah. And the document is entitled "Adobe HR

24 QBR Q1 08."

11:34:07 25 Do you see that?

12:02:48 5 Q. Okay. And so I guess that's kind of what I
6 was getting at. Were there particular -- were there
7 particular quantified ranges that you tried to maintain
8 as part of your compensation structure?

12:03:03 10 THE WITNESS: So we -- we determine ranges,
11 but ranges are guidelines.

13	THE WITNESS:
----	--------------

12:03:21 20 Q. Okay. Was -- the 60 percent that's quoted
21 here, is that kind of, over time, a general guideline
22 that you tried to maintain for the levels up to senior
23 director?

KRAMM COURT REPORTING

1 standard to give -- most companies have some type of
2 range spread, and we just determined that 60 percent,
3 which is most -- it's actually a little wider than most
4 companies, but not completely.

12:03:45 5 Q. Is the 60 percent something that kind of
6 stayed constant over time during the period of time
7 that you were responsible for Total Rewards?

8 A. Yeah, I don't recall us changing it.

9 Q. Okay. Look at the -- the slide that's the --
12:03:59 10 on the back. And it's entitled "Adobe Peers."

11 Do you see that?

12 A. Yes.

13 Q. And there are two groups of -- it looks like
14 companies, "Direct" and "Reference"; right?

12:04:10 15 A. Yes.

16 Q. And the ones under "Direct" are the direct
17 peers; is that right?

18 A. Yep.

19 Q. And the companies on the right are -- are the
12:04:19 20 reference peers?

21 A. Yes.

22 Q. So for example, the direct peers include eBay
23 and Intuit?

24 A. In '09, yes.

12:04:33 25 Q. Okay. [REDACTED]

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Q. Okay. Now, it says, down kind of at the bottom next to the asterisk, "New additions approved by the board in June '09."

Do you see that?

A. Yes.

Q. What does that mean?

A. Like I said earlier, the ECC, you know --

Q. The executive compensation committee?

A. -- compensation committee approves our direct and reference peers every year.

So they get the information components from Compensia, they analyze, they give a recommendation. The board then decides who it is, and we would update it if it has any changes.

Q. Did your organization make a -- a recommendation about companies that go in and out of that reference peer list?

A. Compensia does that.

Q. Okay. And at the ECC level, is the decision about whether a company's a direct peer, basically, you know, in and out? They're either on the list or they're not?

A. I don't understand what you mean by that.

1 I mean, yes, either they're on the list or
2 they're not on the list.

3 Q. Okay. All right.

4 (DEPOSITION EXHIBIT 2801 MARKED.)

12:06:05 5 BY MR. SAVERI:

6 Q. Let me hand you Exhibit 2801.

7 It has -- the first page -- well, I think all
8 the pages have the same number, ADOBE_68232, because it
9 was produced natively.

12:06:21 10 Would you take a moment to look at it, please?

11 A. Okay.

12 Q. Have you had a moment to look at it?

13 A. Roughly, yeah.

14 Q. Have -- do you recognize this document?

12:07:23 15 A. I do.

16 Q. Did you prepare it?

17 A. I prepared pieces of it.

18 Q. Okay. And what -- could you tell me what this
19 document is?

12:07:34 20 A. We used this as an overview training guide
21 when we changed our Total Rewards philosophy.

22 Q. Okay. And when you say you changed the Total
23 Rewards philosophy, what do you mean?

24 A. Well, I guess I shouldn't say changed it.

12:07:52 25 Correction. I didn't mean change it. I mean we just

1 A. Yes.

2 Q. To the best of your recollection, did you
3 believe that was the philosophy of Total Rewards at the
4 time?

12:09:30 5 A. Yes. It's always been the philosophy. We've
6 always had a pay-for-performance and differentiation
7 philosophy.

8 All we did is in the past it was a much longer
9 version of saying it, so we just tried to simplify it
12:09:47 10 to actually hit home that, you know, it's a
11 differentiation and performance philosophy.

12 Q. Okay. And then when you prepared this deck,
13 you wanted -- part of the purpose was to educate other
14 people at Adobe about that?

12:10:00 15 A. Well, not necessarily educate on the
16 pay-for-performance, but educate on our programs in
17 general.

18 Q. Okay.

19 A. When you have a lot of programs that you
12:10:06 20 offer, people sometimes forget what you offer.

21 Q. Okay. And then in the next slide, you talk
22 about market competitive rewards. And you list a
23 number of companies.

24 What did you mean -- well, what's this slide
12:10:20 25 supposed to show? What did -- did you create this

1 slide?

2 A. I did.

3 Q. And what did you mean -- what did you -- what
4 did you intend this slide to show?

12:10:27 5 A. This just shows you who our direct peers and
6 our reference peers are so people know from the
7 landscape who we are thinking our competitors are.

8 Q. Okay. Now, on the next page, it -- there's a
9 slide that says "Total Rewards-Future State."

12:10:46 10 Do you see that?

11 A. Yeah.

12 Q. And did you write this slide, too?

13 A. Yes.

14 Q. Okay. So let me ask you some questions about
12:10:52 15 this.

16 You have a heading, "Competitive Position."

17 Do you see that?

18 A. Yes.

19 Q. And then underneath it, it says, "Overall

12:11:03 20 programs target 60 to 65th percentile."

21 A. Correct.

22 Q. Do you see that?

23 What did -- what did you mean by that?

24 A. Well, just like we talked about earlier, when

12:11:11 25 it comes to the market data, there's various different

1 components. You have benefits, you have all the
2 different components of it. So we look at where do we
3 target ourselves compared to the market for all of
4 those elements within rewards.

12:11:26 5 So part of that would be compensation. And
6 so, like I said when I clarified when I came back, we
7 would target our midpoints of our salary ranges between
8 the 60th and the 65th percentile. For compensation
9 it's actually the 65th.

12:11:39 10 Q. Okay. And so when you made that -- when you
11 set that target, did you do so based on information you
12 got back from Radford?

13 A. Yes. So we look at our Radford data, and we
14 base our --

12:12:05 15 Q. Okay. And that include statistics on job
16 categories?

17 A. On our job -- our job codes, yes.

18 Q. And salary ranges for those jobs?

19 A. So it would be the market data. We create
12:12:19 20 salary ranges based off the market data.

21 Q. Okay. Now, it says also, "[REDACTED]

[REDACTED]

[REDACTED]

24 A. Correct.

12:12:29 25 Q. Was that -- is that an accurate description of

1 the target for high performers?

2 A. It's a target.

3 Q. Right.

4 A. So it doesn't mean everybody. It's just a
12:12:42 5 target. And when we say "total direct compensation,"
6 that's all the elements of compensation, not just base
7 pay.

8 Q. Okay. So that includes the incentive?

9 A. As well as equity.

12:12:54 10 Q. Does it include the benefits, too?

11 A. Yes.

12 Q. Okay. How -- excuse me.

13 What categories or what jobs were in the
14 high-performer category as opposed to the overall?

12:13:10 15 MR. KIERNAN: Object to form.

16 THE WITNESS: Yeah, it's not job -- it's not
17 jobs that are in those categories. It's people.

18 MR. SAVERI: Okay.

19 THE WITNESS: Right? Because it says "High
12:13:18 20 performers."

21 BY MR. SAVERI:

22 Q. So how did you distinguish high performers
23 from others? What's the -- what's the -- what's the
24 criteria?

12:13:24 25 A. The managers determine who's the high

1 MR. SAVERI: Okay.

2 THE WITNESS: [REDACTED]

3 [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED]

6 [REDACTED].

7 MR. SAVERI: Right.

8 THE WITNESS: And as part of this Total

9 Rewards survey as well as the economy and the fact that

10 12:19:12 profit sharing was not performance-based program, we

11 eliminated it.

12 BY MR. SAVERI:

13 Q. Okay. In the next bullet it talks about

14 discretionary bonuses, and it says, "Bonuses to be paid

15 12:19:23 based on company performance and individual

16 performance."

17 Okay?

18 A. Mm-hmm.

19 Q. And I -- [REDACTED]

20 [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED] [REDACTED]

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Q. Got it.

12:20:04

5

A.

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Q. Okay. And what was --

13

A.

14

Q. Okay. What -- and what was your role as -- as

12:20:29

15

the person in charge of Total Rewards with respect to

16

discretionary bonuses?

17

A. So I'm not quite sure what you really mean by

18

what was my role.

19

Q. Well, okay. Earlier we talked about your --

12:20:47

20

your recommendations at the beginning of the -- of the

21

focal process and then the annual review process.

22

A. Yes.

23

Q. Did part of that include recommendations

24

regarding discretionary bonuses?

12:21:01

25

A. I didn't -- I wouldn't go to the company -- or

1 go to finance and say we need to do a discretionary
2 bonus. They would come to me and say we have money;
3 let's do a -- let's do a bonus.

4 And then we would go ahead and give -- you
12:21:13 5 know, split out the pool by managers and then ask them
6 to go ahead and do it based on performance.

7 Q. A few minutes ago I think you were a little
8 bit unclear about whether it was annual or quarterly.

9 A. For?

12:21:27 10 Q. Discretionary bonuses.

11 A. Well, because it's been both.

12 Q. Okay.

13 A. It depends on how -- when we have money.

14

16 Q. In 2009 it didn't pay out at all?

17

19 Q. Okay. Now, the next item is "Incentive Plans,
12:21:50 20 QIP & AIP."

21 A. Correct.

22 Q. What's QIP?

23 A. Quarterly incentive plan.

24 Q. Okay. And "AIP" is annual?

12:21:59 25 A. Yes.

1 MR. KIERNAN: Excuse me.

2 THE WITNESS: Bless you.

3 MR. SAVERI: Okay. You could put that aside.

4 (DEPOSITION EXHIBIT 2802 MARKED.)

12:22:34 5 BY MR. SAVERI:

6 Q. I've handed you what's been marked as Exhibit
7 2802.

8 Do you have that in front of you?

9 A. Yes.

12:22:43 10 Q. And the first page has the number

11 ADOBE_059130.

12 A. Yes.

13 Q. Okay.

14 A. Yes.

12:23:14 15 Q. I -- I apologize.

16 A. It's all right.

17 Q. Someone was afraid I had Tourette's and I
18 would start screaming at the witness. I'm usually just
19 screaming at Mr. Kiernan.

12:23:31 20 MR. KIERNAN: That's right.

21 MR. SAVERI: When he complains to the judge, I
22 say it's because I have Tourette's.

23 BY MR. SAVERI:

24 Q. So please take a moment to -- to review it.

12:24:03 25 A. Okay.

1 the market?

2 MR. KIERNAN: Object to form.

3 THE WITNESS: Yeah. I don't know, because
4 I've never seen this document.

01:11:41 5 BY MR. SAVERI:

6 Q. Okay. Well, just based on your experience
7 with Total Rewards, is -- did you or people in your
8 organization use compa-ratios to measure and monitor
9 internal competitiveness or competitiveness to the
01:11:55 10 market?

11 A. We use compa-ratio just to see where people
12 are sitting in salary ranges but nothing other than
13 that.

14 Q. Okay. There's a section in here called
01:12:05 15 "Salary Range Spread."

16 Do you see that?

17 A. Yes.

18 Q. And the second bullet is, "Sales Salary
19 Ranges."

01:12:10 20 Do you see that?

21 A. Yes.

22 Q. And then it says, "[REDACTED]

23 [REDACTED]

24 Do you see that?

01:12:18 25 A. Yes.

1 Q. Okay. Couple questions.

2 What's TTC?

3 A. Total target comp.

4 Q. And what -- how is that term used at Adobe?

01:12:30 5 A. So TTC is what you set -- or salary -- you
6 know, sales guys get commission. You don't know how
7 much they're going to get commission based off of what
8 they sell. So what you do is you set a target, and if
9 they sell more, they might make more. If they sell

01:12:44 10 less, they might get less.

11 Q. Was TTC used for nonsales positions?

12 A. We refer to TTC for nonsales, yeah.

13 Q. Okay.

14 A. Because it's really just -- we call it "total
01:12:56 15 target cash" for nonsales. Right. So we wouldn't have
16 equity. So total direct comp includes equity.

17 Q. Okay. Then it says, "Global Code."

18 Do you see that?

19 A. Yes.

01:13:16 20 Q. And it says, "[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1 Q. Okay. You can put that aside.

2 (DEPOSITION EXHIBIT 2804 MARKED.)

3 BY MR. SAVERI:

4 Q. Let me hand you Exhibit 2804.

01:13:54 5 Can you take a moment to look at that,
6 please?

7 A. Okay.

8 Q. Do you recognize this document?

9 A. Yeah. Yes.

01:14:53 10 Q. Can you tell me what it is, please?

11 A. It's just an overview of the sales
12 compensation that we had.

13 Q. And did you create it?

14 A. It's got my name on it, but I didn't create
01:15:03 15 all the content. It came from different groups.

16 Q. Okay. But that is your name on the first
17 page --

18 A. Yes.

19 Q. -- of the document?

01:15:10 20 A. Yeah.

21 Q. Let me ask you some questions about it.

22 On the third page of the document, there is
23 a -- a slide that's entitled "Considerations."

24 Do you see that?

01:15:24 25 A. Yeah.

1 incorporate that just for sales.

2 Q. Okay. The next item or section is "Pay mix."

3 Do you see that?

4 A. Yes.

01:16:32 5 Q. And then it says, "Market competitive and
6 internal equity."

7 What did that mean? Or maybe -- let me ask a
8 better question.

9 What was your concern or your consideration
01:16:43 10 with respect to market competitive and internal equity
11 with respect to the pay mix?

12 A. So -- so I think what I talked about earlier,
13 right, is when we say -- we do an analysis, we always
14 are looking at an analysis to determine where we are
01:16:57 15 from a market -- you know, market competitive
16 perspective or market data.

17 So all this is doing is saying that we looked
18 at the market data based off of our pay mix, because
19 remember there's different components to sales.

01:17:08 20 So all this is saying is is that we looked at
21 that data as well as internal equity.

22 Q. So the market competitive information is
23 information regarding compensation outside the company?

24 A. Yeah, that's the market data that we get from
01:17:20 25 Radford, right.

1 Q. And the internal equity has to do with
2 internal pay or compensation --

3 A. Correct.

4 Q. -- concerns?

01:17:25 5 A. Well, not concerns. Just that's looking at
6 equity internally.

7 Q. Okay. You can put that aside.

8 (DEPOSITION EXHIBIT 2805 MARKED.)

9 BY MR. SAVERI:

01:17:42 10 Q. I've handed you what's been marked as Exhibit
11 2805.

12 Will you take a moment to review that, please?

13 A. Okay.

14 Q. So a couple questions about this document.

01:18:55 15 First let me direct your attention to the
16 first page, which is the e-mail --

17 A. Yes.

18 Q. -- to someone named Paul -- Paul Larsen.

19 A. Correct.

01:19:04 20 Q. Okay. First, did you write this e-mail to
21 Mr. Larsen on or about the date that's indicated here?

22 A. Yes.

23 Q. And at this time what was Mr. Larsen's job?

24 A. So Paul Larsen actually took over my business
01:19:16 25 partner job when I took over my --

1 Q. Okay.

2 A. When I got the Total Rewards job.

3 Q. So when you moved up, he took your place?

4 A. Well, we hired him to backfill me.

01:19:26 5 Q. Okay.

6 A. He wasn't an existing employee.

7 Q. And then in your e-mail, you refer to

8 attachment 1, which is a -- it says "presentation I

9 gave at Donna's staff to summarize the impact of the

01:19:40 10 changes."

11 And is the deck that's entitled "HR Leveling"

12 the presentation that you gave that's referred to here?

13 A. Yes.

14 Q. Okay. So let me ask you some questions about

01:19:50 15 the deck.

16 A. Okay.

17 Q. The deck is entitled "HR Leveling," and then

18 you see your name, Debbie Streeter, July 7th, 2008?

19 A. Yes.

01:19:59 20 Q. Did you give this presentation or did you use

21 this deck to do that presentation on or about that

22 date?

23 A. Yes.

24 Q. Okay. So it's entitled "HR Leveling."

01:20:08 25 You see that?

1 A. Yes.

2 Q. [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 Q. Okay. Had you been involved in other leveling
01:21:15 25 exercises before?

1 A. Not prior to this.

2 Q. Okay. Had -- did you participate in other
3 leveling exercises after?

4 A. Me personally, not that I recall. My team.

01:21:30 5 Q. Okay. And just in a general sense, did the
6 leveling exercises that your team conducted, did
7 they -- did they do the same kind of things that are
8 set forth here?

9 A. Well, they do --

01:21:40 10 MR. KIERNAN: Object to form.

11 THE WITNESS: Yeah.

12 They do an analysis to determine -- they look
13 at job descriptions, match the job description with
14 what the employee is actually doing --

01:21:50 15 MR. SAVERI: Right.

16 THE WITNESS: -- right, and then they
17 determine whether they're in the right job. That does
18 happen.

19 BY MR. SAVERI:

01:21:56 20 Q. And it also happens when there's an
21 acquisition?

22 A. Correct.

23 Q. Okay. Now -- okay. I think I understood
24 this.

01:22:02 25 At this time in 2008, you were -- you were

1 MR. KIERNAN: Last -- last sentence. Here.

2 Turn it over. Start here, "Additionally."

3 THE WITNESS: Oh, okay.

4 BY MR. SAVERI:

01:52:19 5 Q. Let me read it to you. Do you see where it
6 says "Additionally"?

7 A. Yes.

8 Q. Let me read it to you again. It says,
9 "Additionally, due to the required salary to attract,"
01:52:26 10 and then it flips over.

11 You with me?

12 A. Yes.

13 Q. -- "the narrow pool of candidates, the issue
14 of internal equity, new hires versus existing employees
01:52:33 15 within some of the specialized groups, including
16 internal audit and revenue recognition, has increased."

17 Do you see that?

18 A. Yes.

19 Q. Do you know what that refers to? Can you
01:52:44 20 explain that to me?

21 A. I didn't write the document, so I -- I
22 can't -- I can't speak to it.

23 Q. Well, let me ask you generally.

24 Were there situations from time to time where
01:53:10 25 Adobe had to -- was required to pay more to attract

1 candidates because they were relatively special or
2 unique or desirable?

3 A. I can't say that's never happened.

4 Q. Okay. Well -- and in -- in those situations,
01:53:35 5 did Adobe sometimes -- well, in those situations was --
6 were there -- was Adobe concerned about internal equity
7 issues?

8 A. Well, like I talked about earlier, we always
9 look at internal equity as a data point, because if you
01:53:55 10 are going to go hire somebody externally that's making
11 somebody -- who's making more than somebody who's an
12 existing employee that's a high performer, you need to
13 know that before you bring them in.

14 Q. Were there situations where -- following that
01:54:09 15 along -- where the --

16 A. Okay.

17 Q. -- where the person was brought in, that the
18 person at Adobe learned of the -- of the compensation
19 and -- and asked for a raise in order to be treated
01:54:23 20 fairly?

21 A. I can't speak to that.

22 Q. Okay. Did that ever happen at Adobe?

23 A. I have no idea.

24 Q. Okay.

01:55:02 25 (DEPOSITION EXHIBIT 2809 MARKED.)

1 BY MR. SAVERI:

2 Q. I've handed you what's been marked as Exhibit
3 2809, ADOBE_060278 to 279.

4 Will you take a moment to look at that,
01:55:27 5 please?

6 A. Yes.

7 Okay.

8 Q. Let me draw your attention to the top of the
9 first page, which is an e-mail from you to someone
01:56:29 10 named Mark Garrett dated April 26th, 2007.

11 Do you see that?

12 A. Yes.

13 Q. Did you write this e-mail to Mr. Garrett on or
14 about the date that's indicated here?

01:56:39 15 A. I guess so.

16 Q. Okay. At the end of the document, it's
17 signed, "Thanks, Debbie Streeter, Director, Human
18 Resources."

19 Do you see that?

01:56:45 20 A. Yes.

21 Q. That's you; right?

22 A. Yes.

23 Q. Okay. On that same last page, there's a
24 section entitled "Employee Attrition."

01:56:52 25 Do you see that?

1 (DEPOSITION EXHIBIT 2813 MARKED.)

2 BY MR. SAVERI:

3 Q. I've handed you what's been marked as Exhibit
4 2813. Has the Bates number ADOBE_056243 to 244.

02:47:44 5 Will you take a moment to look at that,
6 please?

7 A. Okay.

8 Q. Let me draw your attention to the e-mail that
9 appears you wrote dated February 23, 2010 to Jennifer
02:48:43 10 Pasqualini and others.

11 Do you see that?

12 A. Yes.

13 Q. Did you write that to Jennifer Pasqualini and
14 others on or about February 23rd, 2010 as indicated
02:48:52 15 here?

16 A. Yes.

17 Q. And you forwarded to them the e-mail that you
18 received from Daya Nadamuni?

19 A. I have to assume that that -- I don't know who
02:49:01 20 that is.

21 Q. Okay. Well, she wrote an e-mail to a number
22 of people, but there's also an alias or a distribution
23 list there. Do you see it, DL Ops Staff?

24 A. Yes.

02:49:12 25 Q. What's that?

1 A. That's Shantanu's direct reports.

2 Q. Okay. Now, is Daya Nadamuni a man or a woman?

3 A. I have no idea who it is.

4 Q. Okay. But you received this e-mail obviously?

02:49:37 5 A. It was forwarded to me.

6 Q. By whom?

7 A. Well, I'm not on this. I'm not on the
8 original e-mail.

9 Q. Well, maybe that's my question.

02:49:45 10 Do you recall who sent it -- forwarded it to
11 you?

12 A. No.

13 Q. But it -- it's clear you -- you got it,
14 because you sent it to Jennifer Pasqualini; right?

02:49:56 15 A. And that -- and that team, yes.

16 Q. It says, "In conjunction with global talent
17 acquisition, we have developed an analysis of current
18 hiring trends within Adobe's competitive landscape."

19 Do you see that?

02:50:21 20 A. Yes.

21 Q. And then this person identifies some market
22 conditions, and then it specifically discusses three
23 companies: Microsoft, Apple and Google.

24 Do you see that?

02:50:37 25 A. Yes.

1 Q. Okay. And Daya Nadamuni -- well, you agreed
2 that this was useful information; correct?

3 A. I don't even remember it.

4 Q. Okay. But you wrote, "Great overview from
02:50:55 5 talent"; right?

6 A. I did, but I don't remember it.

7 Q. Okay. Did you view the companies that are
8 identified here as competitors with Adobe for talent?

9 A. Yeah, they're -- they're our direct our
02:51:11 10 reference peers, yes.

11 Q. And do you know where the data or information
12 that's set forth here by Daya Nadamuni came from?

13 A. No.

14 Q. Do you know if it came from public statements
02:51:24 15 or from some other sources?

16 A. I have no idea.

17 Q. Why did you say, "please keep this info
18 confidential," then?

19 A. Because it's -- it's confidential
02:51:31 20 information. It's all about people's businesses.

21 Q. Well, if it's -- if it were public
22 information, it wouldn't be confidential, would it?

23 A. But I don't know where they got that at.

24 Q. Okay. So did you think some of this might not
02:51:41 25 be public information?

1 A. I have no idea. I was just being cautious.

2 Q. Now, at the bottom of the page, there's a
3 bullet that says, "As the economy recovers, Adobe may
4 face several challenges to retaining key talent."

02:52:01 5 Do you see that?

6 A. Yes.

7 Q. Then on the top of the next page, it says,
8 "Increased voluntarily attrition and poaching may
9 occur, especially from competitors like Cisco and

02:52:12 10 Google, which are known to be contacting Adobe
11 employees on a regular basis."

12 Do you see that?

13 A. Yes.

14 Q. Do you know what that refers to?

02:52:17 15 A. No, because I'm not close enough to that.
16 It's more of a talent.

17 Q. What did you understand "poaching" to mean?

18 A. I can't -- I can't speculate what they mean,
19 but "poaching" means that they might call people, see
02:52:43 20 if they want to come work for you.

21 Q. Did, as indicated here, Cisco and Google from
22 time to time poach Adobe employees?

23 A. I have no idea. I wasn't close enough to
24 that.

02:52:54 25 Q. Okay. So as you sit here today, you don't

1 to go which you turned down?

2 A. Yes.

3 Q. Okay. Did someone else from the company --

4 and when I say "the company," I mean Adobe. Did

03:30:10 5 someone else go in your place?

6 A. Somebody goes -- from my team goes to the

7 broader one --

8 Q. Right.

9 A. -- but nobody goes to the -- the smaller one.

03:30:16 10 Q. Okay. Who from your team went to -- went in

11 your place?

12 A. Jennifer Pasqualini.

13 Q. Okay.

14 (DEPOSITION EXHIBIT 2817 MARKED.)

03:30:32 15 BY MR. SAVERI:

16 Q. Okay. I've marked as Exhibit 2817 ADOBE -- a

17 document with the Bates number ADOBE_059196 to 197.

18 A. Yes.

19 Q. Do you recognize this?

03:31:02 20 A. Yes.

21 Q. Tell me what it is.

22 A. It's a recap of the meeting I had we just

23 talked about, the smaller meeting that Radford hosted

24 with just my peers.

03:31:12 25 Q. Okay. And did you see this in preparation for

1 your deposition today?

2 A. Yes.

3 Q. Okay. And -- okay.

4 The e-mail is dated November 11th, 2010. Do

03:31:30 5 you see that it's from you to Donna Morris, Jennifer
6 Pasqualini?

7 A. Yes.

8 Q. Okay. I actually thought "Radford Sessions"
9 was someone's name for a while.

03:31:40 10 A. Oh.

11 Q. The -- the -- did you write this on or about
12 the date that's indicated here?

13 A. Yes.

14 Q. Okay. And was Donna Morris your boss at this
03:31:53 15 time?

16 A. Yes.

17 Q. And when you wrote this, did you intend to
18 report accurately to your boss what you learned at the
19 meeting?

03:32:00 20 A. That was the intent.

21 Q. And to the best of your recollection, you did
22 so?

23 A. Yes.

24 Q. Okay. Okay. There's a reference here to
03:32:18 25 Google.

1 Do you see that?

2 A. Yes.

3 Q. Have you ever heard of something called the
4 Big Bang?

03:32:24 5 A. Yes.

6 Q. Was this a reference to the Big Bang?

7 A. Yes.

8 Q. Okay. And that, just so we're clear, was the
9 announcement by Google to make a 10 percent
03:32:38 10 across-the-board hike in their base compensation?

11 A. Yes.

12 Q. And -- and so I'm clear, did you -- had you
13 heard about the Big Bang before you went to this
14 meeting?

03:32:52 15 A. No, found it out at this meeting.

16 Q. Okay. Who told you?

17 A. I don't recall who told me specifically in the
18 meeting, but Google was not in attendance because of
19 this.

03:33:06 20 Q. Okay. So to the best of your recollection,
21 the Google person didn't attend this meeting?

22 A. Yes.

23 Q. And so someone else reported on what Google
24 had announced?

03:33:16 25 A. Yes.

1 Q. And I believe -- do you recall if Google had
2 announced it the prior day or --

3 A. I don't -- I don't recall.

03:33:25

4 Q. But this is the first time you've heard about
5 it?

6 A. This is the first time I heard about it.

7 Q. Okay. So fair to say that was a big deal in
8 comp -- in the world of compensation professionals?

03:33:36

9 A. I think all of us just said, "Great. We're
10 going to get a lot of e-mails from employees now."

11 Q. Okay. Because -- why did you put a smiley
12 face?

13 A. Because that's exactly what I thought was
14 going to happen.

03:33:46

15 Q. Okay.

16 A. We were going to get lots of e-mails from
17 employees.

18 Q. All right. You refer to a comp person who
19 just left Google.

03:33:58

20 Do you see that?

21 MR. KIERNAN: Where is that?

22 THE WITNESS: Where that's?

23 BY MR. SAVERI:

24 Q. It -- Donna; right?

03:34:02

25 A. Oh, okay. First -- first sentence, yes.

1 Q. "As I noted yesterday, Google was the big
2 topic of the day yesterday." Yesterday. "And today we
3 heard from the comp person who just left Google."
4 Okay.

03:34:12 5 Do you see --

6 A. Yes.

7 Q. -- see the -- who's that comp person?

8 A. I don't --

9 Q. Do you recall?

03:34:16 10 A. I don't recall.

11 Q. Okay. You write, "Overall, it was a good
12 session. Learned, of course, we all have the same
13 issues."

14 You see that?

03:34:23 15 A. Yes.

16 Q. What issues were you talking about?

17 A. We all have similar issues where, you know,
18 the market, you know, war for talent, systems issues,
19 lack of stock issues. We have -- we're all kind of
03:34:39 20 similar in all the same things.

21 Q. Okay. So you found a lot of common ground at
22 the meeting?

23 A. It was just validating that it was not just
24 us.

03:34:47 25 Q. Okay. You write, "War for talent for all

1 calculation of the 65th percentile equate to changes
2 in -- in the maximum and minimum for a particular job
3 title, which was the salary range?

4 A. So you got a salary range. The midpoint is
04:06:57 5 the 65th.

6 Q. Okay.

7 A. And then remember we talked earlier today
8 about the spread?

9 Q. Right.

04:07:01 10 A. So the spread would either be 64 or 60 percent
11 or 70 percent. So you take the midpoint and then you
12 do the spread.

13 Q. Who determined whether the -- who determined
14 the spread?

04:07:11 15 A. We talked about that earlier. My team
16 determines the spread.

17 Q. Okay. And how did you determine whether the
18 spread should be 60 percent or 64 percent or something
19 like that?

04:07:21 20 A. We -- we look at market data to see, and then
21 we just determine what we feel is the right thing.

22 Like I said, it -- it's just a guideline, so
23 it doesn't really matter.

24 Q. Right.

04:07:29 25 And so in terms of organizational kind of

1 approval, was there someone above you, like Donna
2 Morris or someone else, that had to approve changes in
3 the ranges for particular jobs as opposed to --

4 A. Yeah, we -- we change thousand of -- thousands
04:07:51 5 of job salary ranges every year. No, she does not look
6 at those.

7 Q. Okay. And that -- but that was your
8 department that was responsible for doing that?

9 A. Correct.

04:07:58 10 Q. Do you have any recollection or idea about the
11 extent to which exceptions for base salary outside
12 established salary ranges happened?

13 MR. KIERNAN: Object to form.

14 THE WITNESS: I have no idea. I don't --

04:08:42 15 BY MR. SAVERI:

16 Q. Was that tracked?

17 A. Could we report on it? Yes. Do I think we
18 tracked it for any purpose? No.

19 Q. Okay. Are you familiar with the term "salary
04:09:00 20 matrix"?

21 A. Yes.

22 Q. What's a salary metrics?

23 A. Matrix.

24 Q. Matrix.

04:09:05 25 A. [REDACTED]

1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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04:10:11 25

Q. And did your -- was your organization

1 responsible for preparing those matrices?

2 A. Yes.

3 Q. And how were -- were the matrices then
4 communicated to the managers of the particular business
04:10:24 5 units in some fashion?

6 A. Yes.

7 Q. And how was that done?

8 A. Through web sites.

9 Q. So was there a point in time where you sent
04:10:32 10 some notice out and said, "We've done the matrices; you
11 can go find them on the web site"?

12 A. You can, or we put them in trainings, because
13 we always have trainings before each one of the annual
14 review processes.

04:10:44 15 Q. So did that -- did those trainings take the
16 form of someone would prepare the deck or something
17 like that, and you'd sit down with the manager and go
18 through it?

19 A. Correct. It would be high level. What -- you
04:10:52 20 know, what did the market say, you know, what are our
21 salary matrices, what are the steps that you need to
22 do, what are the timelines, et cetera.

23 Q. Okay. And then in the next step in the
24 process, kind of what's the -- what was the
04:11:00 25 deliverable, kind of, back from the manager to you? I

1 Your e-mail -- did you write that e-mail to
2 Donna Morris in the -- in the evening on November 10th,
3 2010, on the date and time that's indicated here?

4 A. Yes.

04:36:25 5 Q. Okay. And just so I'm clear, that was after
6 the Radford session you were at?

7 A. Yes.

8 Q. Okay. Let's go to the beginning of the e-mail
9 chain.

04:36:36 10 Donna Morris writes to you and someone named
11 Joe Nemeth on November 10, 2 -- on -- on Nov -- at --
12 it looks like about nine o'clock in the morning on
13 November 10th.

14 Do you see that?

04:36:48 15 A. Yes.

16 Q. Okay. Who -- who was Joe Nemeth?

17 A. He -- he was in charge at FP&A, in finance.

18 Q. Okay.

19 A. Financial planning and analysis.

04:36:55 20 Q. All right. Okay. And she writes, "Hi, Joe.
21 We have seen this, unfortunately. Debbie is off site
22 with a group of peer companies."

23 So you were at Radford at the time when she --

24 A. Correct.

04:37:08 25 Q. -- wrote this? Okay.

1 A. Correct.

2 Q. Now, she writes, "Glad we built into the
3 annual budgets we did and expect that we will -- and
4 expect that with approx 5 percent here in the U.S., HI
04:37:29 5 employees will see between 6 to 8 percent."

6 Do you see that?

7 A. Yes.

8 Q. Can you explain to me what you understood her
9 to mean by that?

04:37:37 10 A. We had already set our -- our merit budget at
11 this time.

12 Q. So you understood her to be saying she was
13 glad that Adobe had already made a decision to raise
14 base compensation?

04:37:53 15 A. No, that's not what --

16 MR. KIERNAN: Object to form.

17 THE WITNESS: That's not what I'm saying.

18 BY MR. SAVERI:

19 Q. Okay. Well, then I don't understand.

04:37:58 20 When she says, "Glad we built into the annual
21 budgets we did and expect with approx 5 percent" --
22 let's work through this.

23 When she wrote, "expect that with approx 5
24 percent here in the U.S., HI employees will see between
04:38:11 25 6 and 8 percent," what did you understand her to mean

1 by that?

2 A. We had already sent our merit budgets, prior
3 to even us going to the Radford meeting.

4 Q. Right.

04:38:19 5 A. So we'd already locked our budgets in. We had
6 a pretty aggressive merit budget based off of market
7 data. And so we had already sent ours.

8 So what she's saying here is, is that, you
9 know, approximately 5 percent -- people will see here
04:38:31 10 in the U.S. approximately 5 percent pay increase,
11 depending on performance, clearly.

12 Q. Right.

13 A. And then high performers will probably see
14 more between a 6 and 8 percent. That was roughly our
04:38:41 15 guidelines. And once again, it was based off of
16 performance.

17 Q. Okay.

18 A. So she's just saying that if they're coming
19 out and saying 10 percent, our budgets for HI employees
04:38:49 20 was roughly 6 to -- to 8 percent.

21 Q. And you had already made the decision?

22 A. That was -- decision was already made before
23 that.

24 Q. Okay. And then the next thing she says, "We
04:39:00 25 put in a request to ensure we have an incremental

1 [REDACTED]. Debbie has
2 likely provided more."

3 Do you see that?

4 A. Yes.

04:39:09 5 Q. What did you understand her to mean by that?

6 A. [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 Q. Right.

04:39:16 10 A. [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 Q. Do you know if at this time Adobe and other
04:39:45 15 companies that were sued by the government had agreed
16 or decided to make a deal resolving those claims with
17 the government?

18 A. I had no idea.

19 Q. Okay. So do you know whether at this time the
04:40:03 20 companies that were sued by the government regarding
21 their agreements with respect to hiring had made an
22 agreement with the government to stop those agreements?

23 A. Not that I recall.

24 Q. Okay.

04:40:19 25 A. No.

1 Q. As of this time, in November of 2010, did you
2 know one way or the other -- I want to make sure I
3 understand this -- whether or not Adobe had been sued
4 by the government with respect to its hiring practices?

04:40:32 5 A. I hadn't -- not that I recall, no.

6 Q. Okay. Now, then you write an e-mail back
7 late -- later in the afternoon on the 10th; right?

8 A. Correct.

9 Q. And that was -- was that after you had
04:40:54 10 finished the -- your day session with Radford?

11 A. Correct.

12 Q. Okay. And was that the -- was this e-mail the
13 first time you had an opportunity to write back to your
14 company about your reactions to the news?

04:41:03 15 A. I -- I don't know. I don't know if that was
16 the first time, but --

17 Q. Okay. But you write, towards the bottom, "I
18 suspect we will see companies increase their merit
19 budgets due to the news but not go up this high due to
04:41:17 20 affordability."

21 Do you see that?

22 A. Where is that?

23 Q. Down towards the bottom of your e-mail,
24 there's a paragraph second from the end that begins,
04:41:23 25 "Time will continue to tell."

1 A. Mm-hmm.

2 Q. Then the next sentence says, "I suspect we
3 will see companies increase their merit budgets due to
4 this news but not go up this high due to
04:41:34 5 affordability."

6 Do you see that?

7 A. Yes.

8 Q. What did you mean by that?

9 A. Well, it also says, "Time will tell."

04:41:40 10 Q. Okay.

11 A. I was just putting in my opinion that
12 eventually you will see an impact from that increase
13 because the market data will actually go up. That's
14 what I was suspecting. But if they're only one company
04:41:53 15 in the pool, I don't know -- I mean, I was just making
16 a -- an opinion. Right?

17 Q. Well, at the Radford session --

18 A. Yes.

19 Q. -- the news of this announcement came up?

04:42:02 20 A. Yes.

21 Q. Did the companies discuss at all at that
22 meeting what they intended to do in response with
23 respect to their merit budgets?

24 A. No. If anything, they all laughed because
04:42:14 25 they thought it was ridiculous.

1 Q. Well, I'm asking -- okay. Well, I'm trying to
2 ask -- figure out, the best of your recollection,
3 whether --

4 A. Yes.

04:42:19 5 Q. -- that subject was discussed. Was it
6 discussed, what the reaction was going to be by the
7 companies?

8 A. What we said was, is we're going to get back
9 to our offices with a lot of questions from our
04:42:29 10 employees. And we all laughed, saying there is no way
11 we would ever be able to afford to do something like
12 that, and we thought it was ridiculous what they were
13 doing.

14 That's --

04:42:35 15 Q. Okay.

16 A. -- what we talked about.

17 Q. Did any of the companies say they intended to
18 try to -- to the extent they could, to the --

19 A. Yeah.

04:42:39 20 Q. -- extent they could afford it, raise their
21 merit budgets?

22 A. None of them said that at that meeting.

23 MR. SAVERI: Okay. We're about to run out of
24 tape, so let's take a break.

04:42:47 25 THE WITNESS: Okay.

1 Q. Were there other occasions when leveling
2 recommendations were made by people at the company
3 where those leveling recommendations were, in fact,
4 implemented by managers?

05:29:42 5 A. Yeah. Yes.

6 Q. Okay.

7 A. But the managers make those decisions.

8 Q. Okay. But my question was whether they were
9 implemented, not who made the decisions.

05:29:52 10 A. Yes.

11 MR. SAVERI: Okay. All right.

12 MR. KIERNAN: That's all I have.

13 THE VIDEOGRAPHER: This is the end of disk No.
14 4 in the deposition of Debbie Streeter.

05:30:01 15 The four original disks will be retained by
16 Jordan Media.

17 We are off the record at 5:30 p.m.

18 (DEPOSITION ADJOURNED AT 5:30 P.M.)

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I certify under penalty of perjury that the foregoing
is true and correct.

Date _____
DEBORAH STREETER

REPORTER'S CERTIFICATE

I, Anne Torreano, Certified Shorthand Reporter licensed in the State of California, License No. 10520, hereby certify that the deponent was by me first duly sworn, and the foregoing testimony was reported by me and was thereafter transcribed with computer-aided transcription; that the foregoing is a full, complete, and true record of said proceedings.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing proceeding and caption named or in any way interested in the outcome of the cause in said caption.

The dismantling, unsealing, or unbinding of the original transcript will render the reporter's certificates null and void.

In witness whereof, I have subscribed my name this 16th day of April, 2013.

☒ Reading and Signing was requested.

☐ Reading and Signing was waived.

☐ Reading and Signing was not requested.

ANNE M. TORREANO, CSR No. 10520